

DATE IN 6-6-11	SUSPENSE	ENGINEER Tw	LOGGED IN 6-6-11	TYPE IPI	APP NO 1115734838
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



XTO Energy
 5380

Remuda Basin State #2

ADMINISTRATIVE APPLICATION CHECKLIST **30-015-28472**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR
- [D] Other: Specify Increase Surface Pressure

2011 JUN -6 A 8:39

RECEIVED OGD

SWD
1238
336-4048

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
Potash mine notice not required as well is not within 1 mile of potash operations
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or **SLO**
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

1068
-50
1018 p57
1000

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Patty Urias	<i>Patty Urias</i>	Regulatory Analyst	6/2/11
Print or Type Name	Signature	Title	Date

patty_urias@xtoenergy.com
 e-mail Address

cc: Artesia Ofc 6/2/11

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-28422
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Remuda Basin State
8. Well Number 1
9. OGRID Number 005380
10. Pool name or Wildcat Nash Draw; Delaware/BS (Avalon Sand)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator XTO Energy, Inc.
3. Address of Operator 200 N. Loraine, Ste. 800 Midland, TX 79701
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1830</u> feet from the <u>West</u> line Section <u>23</u> Township <u>23S</u> Range <u>30E</u> NMPM County <u>Eddy</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Surface Pressure Increase-Order SWD-1238 ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/28/11 - Based on the Order SWD-1238 issued on August 20, 2010, the maximum surface injection pressure is 667 psi. XTO as operator of subject SWD well performed a valid step rate test on April 28, 2011 and, based on the step rate test, the parting pressure of 1068 psi was realized. XTO respectfully requests a surface pressure up to 1000 psi. This higher pressure will not result in any migration of the injected fluid from the predescribed Bell Canyon member as previously approved by the aforementioned order. Therefore, XTO respectfully requests approval of a surface pressure increase up to 1000 psi.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Patty Urias TITLE Regulatory Analyst DATE 6/2/11
Type or print name Patty Urias E-mail address: patty_urias@xtoenergy.com PHONE 432-620-4318

For State Use Only

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval (if any):

REMUDA BASIN STATE #1

ELEV GL 3052'
KB 3075'

10/06/10: 1 JT 2-7/8" J-55 IPC TBG, 1 JT 2-7/8" X 4' J-55 IPC TBG SUB, 101 JTS 2-7/8", 6 5/8" J-55, EUE BRD IPC NEW TBG, V2 ON-OFF TOOL, 5-1/2" PLT PKR (1 875" "F" LAND NIPPLE), 2-7/8" L-80 SUB, PKR @ 3266' EOT @ 3274'

14-3/4" HOLE

11-3/4", 42#, WC40 STC CSG @ 400'. CMT'D 2/400SX CL C + 2% CACL CIRC 136SX

11" HOLE

TOC @ 3054'

8-5/8", 32# WC-50 BRD LTC CSG @ 3200'. CMT'D W/800SX 35:65 POZ H & 100 CL H CIRC 149SX

PLT PKR @ 3266'

BELL CANYON PERFS. 3336'-3360', 3380'-3392', 3398'-3438', 3458'-3466', 3474'-3487', 3504'-3522' (115', 115 HOLES) 3660'-3696', 3711'-3750', 3774'-3832' (133', 133 HOLES), 3922'-3932', 3960'-3982', 3999'-4048' (81', 81 HOLES) (ALL 10/1/10)

CIBP @ 4119' 4SX CMT ON TOP

TAGGED DV @ 5014 (TOO LOW)

CIBP @ 6960' 4SX CMT ON TOP

7-7/8" HOLE

LOWER BRUSHY CANYON:
7010'-7048', 2 JSPF, 120 DEG PHASE
7063'-7070', 2 JSPF, 120 DEG PHASE

5-1/2", 17#, WC-75 LTC & 15 5# WC-50 CSG SET @ 7500' CMT'D W/1650 SX, 50 50, 35 65 & CL H IN 2 STGS CIRC 1ST STG, DID NOT CIRC 2ND STG DV @ 5014' (TOO LOW) TOC @ 3054'

PBTD 7345'
TD. 7500'

Step Rate Test



Cardinal Surveys Company

28-Apr-11

XTO Energy

Well: Ramuda Basin State No. 1

Field:

County: Eddy County, New Mexico

SC 59542

File No. 20245

Calculated Parting Pressure @ 2,519.4 BHP and 1,068 Surface PSI @ 5,133.3 BPD

Downhole PSI Tool Ser. No. CSC2601
Surface PSI Gauge Ser. No. 10213
Tool @ 3.600'

	Start	End	Rate
1	8:35 AM	9:00 AM	0 3,600'
2	9:00 AM	9:30 AM	500
3	9:30 AM	10:00 AM	1000
4	10:00 AM	10:30 AM	1500
5	10:30 AM	11:00 AM	2500
6	11:00 AM	11:30 AM	3500
7	11:30 AM	12:00 PM	4500
8	12:00 PM	12:30 PM	6500
9	12:30 PM	1:00 PM	8500
10	1:00 PM	1:15 PM	0 15 Fall Off
11			
12			
13			
14			
15			
16			
17			
18			

Step Rate Test
28-Apr-11

Enervest Operating LLC

Well: Ramuda Basin State No. 1

Field:

Location: Eddy County, New Mexico

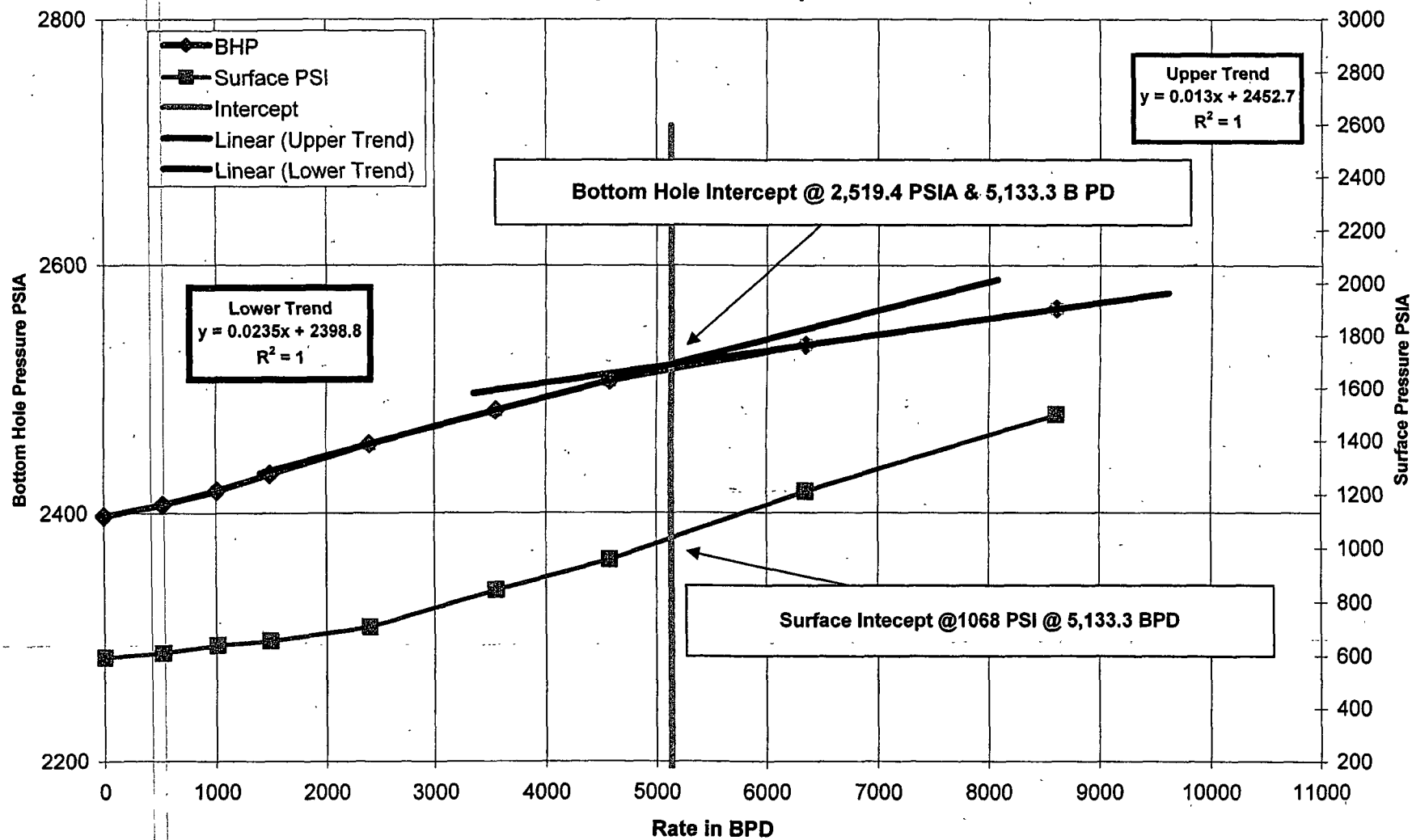


	S Time	E Time	D Time Min	Last Rate BPD	Step BPD	BHP PSIA	Surf PSIA	Cum BBL	Delta BBL	Avg. BPD	Lower Trend	Upper Trend
1	8:35 AM	9:00 AM	25	0	0	2398	596.4	0	0	0		
2	9:00 AM	9:30 AM	30	500	500	2407	612.4	10.9	10.9	523		
3	9:30 AM	10:00 AM	30	1000	500	2418	641.5	31.9	21	1008		
4	10:00 AM	10:30 AM	30	1500	500	2431.1	656.8	62.9	31	1488		
5	10:30 AM	11:00 AM	30	2500	1000	2455.3	708.4	112.9	50	2400	2455.3	
6	11:00 AM	11:30 AM	30	3500	1000	2482.3	845.3	186.9	74	3552	2482.3	
7	11:30 AM	12:00 PM	30	4500	1000	2506.5	959.3	282.2	95.3	4574	2506.5	
8	12:00 PM	12:30 PM	30	6500	2000	2535.3	1211.6	414.5	132.3	6350		2535.3
9	12:30 PM	1:00 PM	30	8500	2000	2564.7	1499.6	593.9	179.4	8611		2564.7
10	1:00 PM	1:15 PM	15	0	0	2535.3	716.3	593.9	0	0		
11												
12												
13												
14												
15												
16												

	0.0235	2398.8
	0.013	2452.7
Intersect	5133.33333	BPD
BHP PSI	2519.43333	PSIA

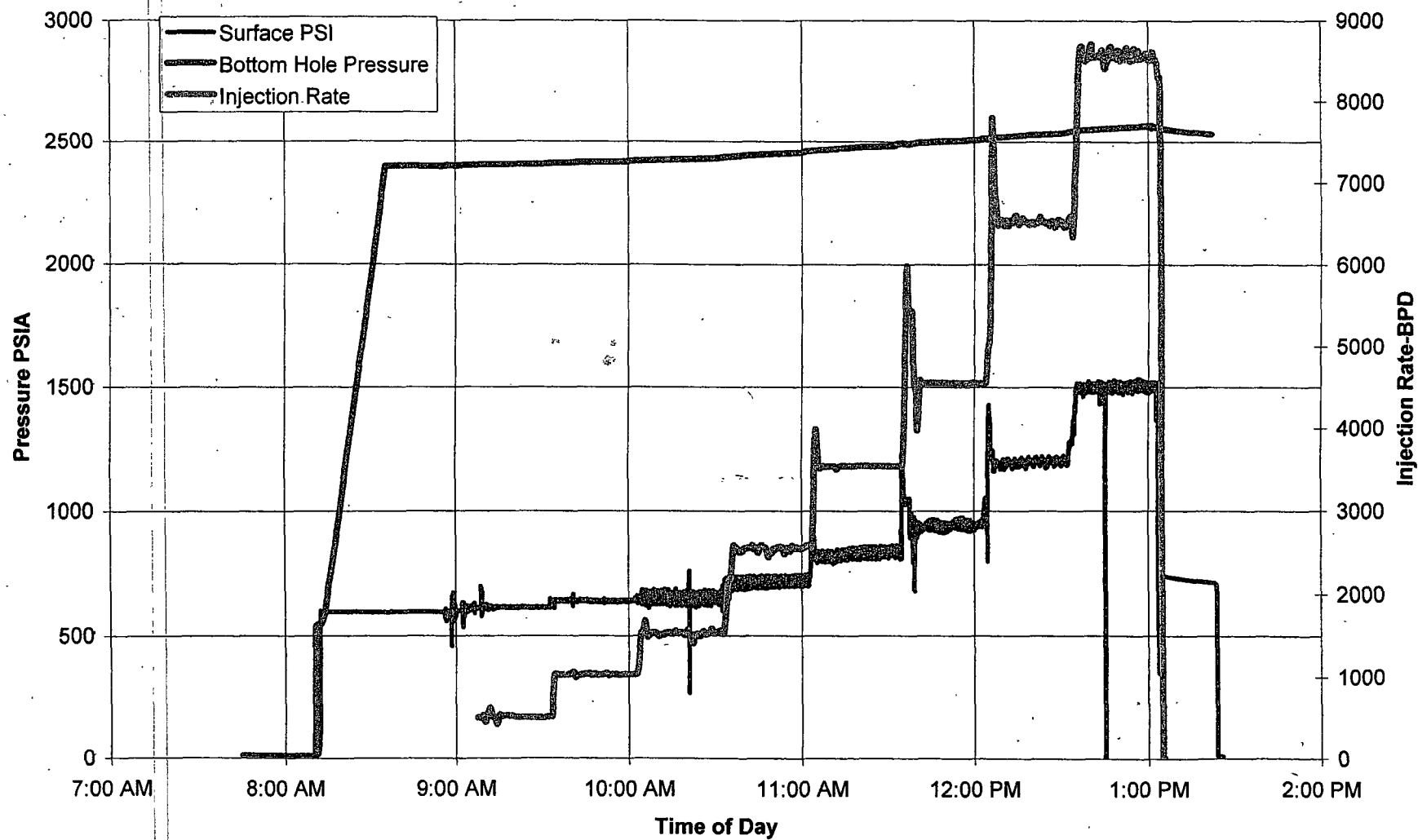


XTO Energy
Ramuda Basin State No. 1
Step Rate Test 28-Apr-11





XTO Energy
Ramuda Basin State No. 1
Total Data Chart 28-Apr-11





June 2, 2011

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87505

Re: Remuda Basin State #1 SWD
API# 30-015-28422
Request to increase surface pressure

Dear Sir/Madam,

Attached please find our IPI Application to increase surface pressure. This application will be sent to the Santa Fe office today to the attention of Terry Warnell.

All interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505, within 15 days.

If you have any questions, please call me at 432-620-4318.

Sincerely,

Patty Urias
Regulatory Analyst
432-620-4318
patty_urias@xtoenergy.com

Attachment

7007 2560 0002 4760 2657

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To <u>State Land Office</u>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006	
See Reverse for Instructions	



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1238
August 20, 2010

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., XTO Energy, Inc. seeks an administrative order to utilize its Remuda Basin State Well No. 1 (API 30-015-28422) located 1980 feet from the North line and 1930 feet from the West line, Unit Letter F of Section 19, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, XTO Energy, Inc., is hereby authorized to utilize its Remuda Basin State Well No. 1 (API 30-015-28422) located 1980 feet from the North line and 1930 feet from the West line, Unit Letter F of Section 19, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Bell Canyon member of the Delaware Mountain Group through perforations from 3336 feet to 4048 feet through lined tubing and a packer set within 100 feet of the disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to



the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 667 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

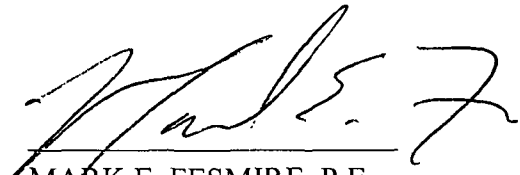
The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the

requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



MARK E. FESMIRE, P.E.
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division